



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

Growth continues to be strong in the Coeur d'Alene Metropolitan Statistical Area, though not at the high speeds of 2004 and 2005. But it is likely growth will slow further in the next few months amid more dark clouds on the national economy's horizon, a further slowdown in the housing market and a tight labor supply curtailing some business expansion.

Nonfarm payroll jobs in the metro area grew a solid 3 percent between September 2006 and September 2007 as shown in Panhandle Table 1.

The natural resources and mining sectors added 110 jobs even though logging was slightly depressed. High silver and gold prices have increased employment at the corporate headquarters of Hecla, Coeur d'Alene Mining and three smaller mining companies. Gravel pits remain busy with substantial construction activity including road projects.

Although residential construction has slowed slightly, commercial construction this September was up considerably from a year ago. Cabela's, the Coeur d'Alene Chamber and the Coeur d'Alene Library projects were coming to an end, but the Salvation Army's Kroc community center, the Hampton Inn at Riverstone, the new federal building in Coeur d'Alene, the Biopol and Berg plants in Post Falls and the Post Falls city hall were among projects recently started.

Job losses at lumber mills led to a drop in manufacturing employment. With framing lumber prices falling to a very low \$254 per thousand board feet by Nov. 2, wood products manufacturing is likely to see more job losses — by attrition, temporary shutdowns and permanent layoffs. The depressed lumber prices reflect the large drop in U.S. housing starts over the last two years. Recent substantial increases in the

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Sep 2007*	Aug 2007	Sep 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	71,100	70,740	69,470	0.5	2.3
Unemployed	1,880	1,650	2,450	13.9	-23.3
% of Labor Force Unemployed	2.6	2.3	3.5		
Total Employment	69,220	69,090	67,020	0.2	3.3
<i>Unadjusted</i>					
Civilian Labor Force	71,810	71,940	69,690	-0.2	3.0
Unemployed	1,230	1,310	1,890	-6.1	-34.9
% of Labor Force Unemployed	1.7	1.8	2.7		
Total Employment	70,580	70,630	67,800	-0.1	4.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	58,590	58,810	56,860	-0.4	3.0
<i>Goods-Producing Industries</i>	11,760	11,850	11,590	-0.8	1.5
Natural Resources & Mining	620	620	510	0.0	21.6
Construction	6,390	6,500	6,250	-1.7	2.2
Manufacturing	4,750	4,730	4,830	0.4	-1.7
Wood Product Manufacturing	940	950	1,030	-1.1	-8.7
Other Manufacturing	3,810	3,780	3,800	0.8	0.3
<i>Service-Providing Industries</i>	46,830	46,960	45,270	-0.3	3.4
Trade, Transportation, & Utilities	11,100	11,170	10,840	-0.6	2.4
Wholesale Trade	1,570	1,590	1,520	-1.3	3.3
Retail Trade	8,350	8,400	8,150	-0.6	2.5
Transportation, Warehousing & Utilities	1,180	1,180	1,170	0.0	0.9
Information	920	910	970	1.1	-5.2
Financial Activities	3,170	3,190	3,020	-0.6	5.0
Professional & Business Services	6,720	6,650	6,210	1.1	8.2
Educational & Health Services	5,600	5,530	5,340	1.3	4.9
Leisure & Hospitality	8,300	8,970	8,030	-7.5	3.4
Other Services	1,560	1,630	1,490	-4.3	4.7
Government Education	3,410	2,810	3,390	21.4	0.6
Government Administration	5,210	5,260	5,220	-1.0	-0.2
Government Tribes	840	840	760	0.0	10.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

value of both the Canadian dollar and the Euro could soon put more wind under the sails of manufacturing as long as U.S. consumers don't become too discouraged by the mortgage crisis and higher energy prices. Kootenai County manufactures a wide variety of products including Kimball's Flexcel furniture and Buck Knives in Post Falls; Advanced Input System's keyboards and control panels, Accurate Molded Plastics, Interstate Concrete & Asphalt and Century Publishing in Coeur d'Alene; Stimson Lumber's mills in Coeur d'Alene and Hauser and Transtector's surge depression devices in Hayden.

A growing population, rising incomes and increased tourism pushed retail jobs up by 200 and added hundreds of service jobs. The 330

jobs created by the new Cabela's outdoors store and Kohl's department store in Coeur d'Alene will show up in the October and November numbers.

Reduced shipments by the wood products industry meant 50 fewer jobs in trucking. Other transportation industries added a few workers in response to the growth in population and tourism. Utilities employment has not grown significantly in many years. Technology has allowed utilities to handle growing customer loads with the same number of workers.

Increased employment at banks, credit unions and insurance companies during the past year more than offset the decrease in real estate and title insurance jobs, adding 150 new jobs in financial activities for September. Independent banks and credit unions have been adding branches in growing Kootenai County. More than half of the new financial sector jobs came at the U.S. Bank customer service center in Coeur d'Alene. Real estate agents are considered self-employed so they are not included in payroll jobs, and those sectors lost most of their jobs before September 2006.

The Coeur d'Alene metropolitan area continues to draw more tourists with its growing reputation for nearby bicycling trails, golf courses and ski areas and the expansion of Silverwood Theme Park's water park. The influx of retirees and people building second homes over the last five years has increased demand at restaurants and amusement properties. The net result was

a 270-job gain in leisure and hospitality businesses. The employment numbers in that sector shown in Table 1 are only private-sector employees. The Coeur d'Alene Tribe's casino, hotel and golf course in Worley employs about 840 people, whose jobs are counted in the local government sector. The casino continues to increase its offerings, and the golf course has earned a good reputation, adding a total of 80 jobs over the last 12 months.

With businesses in the Panhandle experiencing significant growth in recent years, employment has expanded in a wide variety of professional and business services. Between the first quarter of 2005 and the first quarter of 2007, the number of private-sector employers in the Coeur d'Alene metro area grew 10.3 percent to 4,965. Business-to-business services accounted for nearly one in every five new employers in areas like janitorial services, business management, corporate headquarters, computer system design, architecture, engineering, waste management, legal services, security, advertising and temporary employment services.

The Coeur d'Alene metro area's seasonally adjusted unemployment rate in September was below 3 percent for the sixth straight month. While the civilian labor force grew 2.3 percent from September 2006, the number of workers with jobs grew even faster at 3.3 percent, driving the unemployment rate down nine-tenths to 2.6 percent. Unemployment rates in the other four

Economic Outlook Presentations Scheduled for Panhandle

In November and December, Idaho Department of Labor Regional Economist Kathryn Tacke will be making presentations about the economic outlook of Panhandle counties—looking back at their economic history, determining where they are today and speculating about where they will head in the next couple of years. The schedule and locations are listed below.

Benewah County Outlook*

Wednesday, Nov. 14

Noon to 1 p.m.

St. Maries Chamber of Commerce

Monthly luncheon meeting

Eagles Lodge in St. Maries

Cost is \$7 and includes lunch.

The Chamber will accept reservations for the lunch until Nov. 9 by calling (208) 245-2518.

Bonner County Outlook

Thursday, Nov. 15

Idaho Department of Labor

2101 W. Pine, Sandpoint

9:30 a.m. to 11 a.m.

Boundary County Outlook

Tuesday, Nov. 27

10:30 a.m. to Noon

Kootenai River Inn

6541 Main St., Bonners Ferry

Kootenai County Outlook

Friday, Nov. 30

10:30 a.m. to Noon

Idaho Department of Labor

1221 W. Ironwood Drive, Coeur d'Alene

Shoshone County Outlook

Wednesday, Dec. 5

10:30 a.m. to Noon

Idaho Department of Labor

35 Wildcat Way, Kellogg

Space is limited, so please reserve a space soon.

E-mail: Kathryn.Tacke@labor.idaho.gov

Phone: Kathryn Tacke at (208) 769-1558 ext. 3984

Indicate which presentation you want to attend, your e-mail address and phone number.

**To reserve space at the St. Maries Chamber of Commerce luncheon, call (208) 245-2518.*

Panhandle counties also have fallen to historic lows, creating a jobseeker's market.

Given the tight labor supply, employers are experiencing difficulties in recruiting and retaining workers. They are raising wages, rethinking benefits, attempting to offer more flexibility in work schedules and improving the work environment. Many are even offering bonuses to newly recruited workers or to workers who refer new employees.

While all regions in Idaho are reporting some work force availability problems, the upward wage pressure seems especially intense in the Coeur d'Alene area. The average wage paid by private-sector employers in the metropolitan area rose 4.8 percent from the first quarter of 2006 to the first quarter of 2007 compared to 3.1 percent statewide. Today, most fast food outlets in the metro area pay starting wages between \$8 and \$9 an hour compared to less than \$8 an hour elsewhere in Idaho.

AREA DEVELOPMENTS

BENEWAH COUNTY

- The Coeur d'Alene Tribe won a \$400 million, five-year contract to make fuel bladders for the U.S. Army. Berg Integrated Systems, which the tribe moved to Plummer after buying a majority interest last year, will make 210,000-gallon bladders for diesel and aircraft fuel. When it starts production in early 2008, it will hire 40 more workers, paying about \$15 an hour and bringing total employment to 70. North Idaho College, which designs and delivers customized training to employers in the Panhandle, will train Berg's new workers for the Plummer plant. Coeur d'Alene Tribal Chairman Chief Allan credited Jobs Plus, the Kootenai County economic development organization, with helping make the contract a reality.
- The Panhandle Health District recently broke ground on its new 9,500-square-foot building in St. Maries. Panhandle Health expects to move into the \$2 million, two-story building next fall. The district plans to sell its current building, which is half the size.

BONNER COUNTY

- Schweitzer Mountain Resort near Sandpoint recently landed on Skiing Magazine's list of the 25 top ski resorts. It ranked 21st in a field of more than 500 ski areas. For the 2007-2008 ski season, the mountain will replace one of the original chairlifts, add another and increase skier capacity by nearly one-third, getting skiers to the runs quicker. Other improvements for skiers and snowboarders include

a new ski-check area, heated patio and more grooming equipment. With a 2,400-foot vertical drop and 2,900 acres of skiable terrain, the Schweitzer resort is actually larger than well-known ski destinations like Sun Valley in Idaho and Breckenridge and Beaver Creek in Colorado.

- Just one year after the North Idaho College moved its Bonner County center from downtown Sandpoint to a larger space in the Bonner Mall in Ponderay, the facility is overcrowded. This fall, the center had students taking 349 class periods compared to 230 class periods a year ago.
- A California developer has broken ground on a planned \$28 million project at the Sandpoint Airport that will include "fly-in" residences as well as commercial and aviation services buildings. SilverWing at Sandpoint, a 40-duplex hangar project, will be built immediately west of the Sandpoint Airport. Each duplex could contain two airplane hangars or a hangar and dwelling unit. The dwelling units, which will range from 2,100 square feet to 4,000 square feet, will be marketed as second homes for aircraft owners. The development, which will be heavily landscaped and offer views of the Selkirk Mountains, will include a community center with a pool, spa, workout equipment and an outdoor kitchen. SilverWing also will include two commercial buildings, totaling 32,000 square feet. The developer was attracted to Sandpoint Airport because it is within minutes of Schweitzer Mountain Resort, Lake Pend Oreille and the city of Sandpoint. The airport has a 5,500-foot runway that can accommodate large private jets.
- Downward pressures on prices and reduced customer traffic are affecting many retailers, including Sandpoint's Coldwater Creek. The national retailer of women's apparel, jewelry, gifts and accessories has seen its stock price fall sharply. This has affected the assets of the Wild Rose Foundation, a nonprofit organization established by Coldwater founder Dennis Pence. Wild Rose has been forced to indefinitely postpone its plans to build a University of Idaho campus in Sandpoint. Wild Rose had originally expected classes to start in the fall of 2009.

BOUNDARY COUNTY

- The North Idaho College center in Bonners Ferry completed a major remodel in October. Three rooms were added to the center, which now offers interactive video conferencing, allowing students in Bonners Ferry and instructors in Coeur d'Alene to see and talk with one another. The new computer

lab includes a broadband connection to the college's main Coeur d'Alene campus, speeding up Internet classes. The Idaho Department of Administration's public works division paid for most of the remodel, and the Kootenai Tribe donated \$20,000. The Bonners Ferry Center, which opened a year ago, currently serves 136 students from Boundary County and is offering eight classes this fall. Next spring, North Idaho College will expand its course offerings, including basic computer classes.

KOOTENAI COUNTY

- Cabela's opened its 125,000-square-foot destination sporting goods store in Post Falls on Nov. 9. The company has hired 250 employees for the store, which features extensive nature exhibits and huge aquariums. The store's centerpiece will be a 28-foot-tall indoor mountain complete with a rushing stream and waterfall. The store, one of 22 nationwide, is expected to be a tourist attraction.
- A Barnes & Noble bookstore and a Red Robin restaurant will locate in the Coeur d'Alene Riverstone development along the Spokane River as it flows into Lake Coeur d'Alene. The 28,000-square-foot bookstore, slated to open next July near the Regal Cinema, will stock close to 200,000 book, music, DVD and magazine titles and include a cafe. Wi-Fi service will allow customers to use their laptop computers and personal digital assistants anywhere in the store or café. The Red Robin, which serves gourmet burgers, will be just west of the new Hampton Inn. When it opens next spring, it will hire more than 80 people.
- Integrated Ideas and Technologies, a Coeur d'Alene precision metal work company, is building a 23,000-square-foot facility. After moving into the new building in March, the company plans to hire 10 more workers, bringing its payroll to 38. Jobs Plus recruited the company to the area from California 10 years ago when it had just 11 employees.
- Fresenius Medical Care plans to open a 6,400-square-foot kidney dialysis center in the Coeur d'Alene Tech Center in December and employ 18. Fresenius, headquartered in Germany, has more than 1,600 dialysis clinics around the world.
- Coeur d'Alene-based North Idaho College's enrollment increased 19 to set a record at 4,650 students this fall. The college's dual credit or WINGS program is experiencing most of the enrollment growth. This program allows high school juniors and seniors to enroll at the school for a head start on college. They earn high school and college credit for the courses, paying just \$60 per credit rather

than \$140. North Idaho College has 450 dual credit students enrolled in the WINGS program including 25 from Sandpoint High School and three each from Bonners Ferry and Clark Fork high schools.

- Make Wine, Make Beer, which recently opened on Fourth Street in Coeur d'Alene, has all the ingredients and equipment needed for customers to make wine or beer in a clean and comfortable environment.
- The Shops at the Coeur d'Alene Resort Plaza are once again full. Runway, a 1,900-square-foot women's clothing boutique, opened in October. As its name suggests, the boutique offers the latest designs right off fashion show runways.
- Cedar Mountain Supply of Coeur d'Alene was recently awarded a multiyear purchase order from the Idaho National Laboratory in southeastern Idaho. Cedar Mountain will provide supplies and equipment to the lab. Since 1993, Cedar Mountain has provided laboratory supplies, telecommunications and security for Department of Energy sites across the country. Cedar Mountain employs four people.
- Coeur d'Alene Computer Clinic, which opened in October, focuses on customer service. In addition to selling, upgrading, assembling, repairing and recycling computers, the clinic provides classes for small groups as well as one-on-one instruction.

SHOSHONE COUNTY

- Mine Fabrication in Kellogg manufactures mining equipment, including ore cars, loading chutes, ladders and parts for jackleg drills. In addition, it is the only manufacturer of Aero-Lifts, steel structures designed to stack small aircraft on top of each other to optimize storage space in flight hangars. They also can be used to lift airplanes to a comfortable level for maintenance work. Mine Fab, which recently produced its 320th lift, employs 15 people.
- The Route of the Hiawatha, a trail along an old Milwaukee Railroad track extending from the Silver Valley through Lookout Pass into Montana, hosted a record number of bicyclists — over 24,000 — this summer. The trail's 10th season started Memorial Day weekend and ended Oct. 7. Along with the 79-mile Trail of the Coeur d'Alenes, running from the Silver Valley through Harrison on Lake Coeur d'Alene to Plummer, the Route of the Hiawatha attracts bicyclists from all over the U.S. This year saw a significant increase in international visitors.

(Continued on page 17)

NEZ PERCE AND ASOTIN (WA.) COUNTIES

- North central Idaho employers, especially those in Lewiston and Moscow, keep a close eye on the minimum wage in the state of Washington. Already the highest in the country, Washington's minimum wage will again increase 14 cents to \$8.07 an hour beginning Jan. 1. The Washington Department of Labor and Industries recalculates the state's minimum wage each year in September to reflect changes in the federal Consumer Price Index for Urban Wage Earners and Clerical Workers during the 12 months through Aug. 31. The national index covers the cost of goods and services needed for day-to-day living. It increased 1.8 percent during the last 12-month period compared to a 3.9 percent increase during the same period in 2006. That led to a 30-cent increase for 2007.

Washington's minimum wage applies to workers in both agricultural and non-agricultural jobs, although 14- and 15-year-olds may be paid 85 percent of the adult minimum wage. Increases in the minimum wage in Washington usually prompt higher entry-level wages in north central Idaho border communities because employers compete for the same labor pool. The Idaho minimum wage increased to \$5.85 on July 24. It was the first of three 70-cent increases over the next two years. The minimum wage goes to \$6.55 an hour on July 24, 2008, and to \$7.25 an hour on July 24, 2009.

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- Tattoo artist Paul Beaman opened The Ink Spot in Uptown Kellogg last month. The shop offers free-hand custom tattoos as well as designs from tattoo booklets. He expects to offer piercing soon.
- The Idaho Department of Environmental Quality did complete remediation of another 400 yards in the Silver Valley. Yard remediation within the 21-square-mile area around Smelterville that had the highest contamination of mining waste in the Silver Valley was finally completed this year. The topsoil on many private properties outside the area remains contaminated by lead, arsenic and other heavy metals. The process involves removing soil contaminated by decades of toxic mine waste and replacing it with unpolluted soil. Since the program began in 2002, 1,750 properties have been cleaned. About 200 people work for the program each year, which draws about \$12 million annually from federal funds.
- The federal Superfund's Institutional Controls Program extends this month from the 21-square-mile area around Smelterville into a basin from Mullan to the mouth of Lake Coeur d'Alene. The Panhandle

Health District established the program to ensure the barriers separating the 12 inches of clean top soil and the underlying contaminated soil remain intact. By following the program's regulations, contractors are assured their work in contaminated areas does not disturb any barriers, homeowners can remain confident their remediated properties stay that way and banks no longer are wary of doing business on potentially contaminated ground. This will make it easier to sell property, acquire bank financing or float bonds. So far mining companies and the federal government have spent \$200 million to clean the Superfund site in the Silver Valley, which has included cleaning former mining sites, cleaning up mine wastes along the railroad corridor and transforming it to the Trail of the Coeur d'Alenes and restoring streams and wildlife habitat.

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